



YOUR HOMETOWN

Anna

October 1, 2015

CITY OF ANNA, TEXAS
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Mr. Clarence Daugherty
Collin County Engineering Department
4690 Community Ave., Suite 200
McKinney, TX 75071

Dear Mr. Daugherty,

As you are aware, the Texas Department of Transportation is moving forward with plans to reconstruct US 75 from the limits of the current construction at Throckmorton Creek to a point north of FM. TxDOT has advised the City of Anna that they intend to let the project in December of this year and has directed the City and other utility companies to relocate any utility lines found to be in conflict with the project.

When plans became available, the City of Anna hired an engineer to identify any locations where our water and sewer lines would conflict with the project. Based on this study, we have identified approximately 13,304 linear feet (2.5 miles) of water lines that will need to be relocated. The estimated cost of replacing those lines with a minimum 8" water line is \$1,785,000 of which TxDOT will reimburse 74% or \$1,323,000.

Due to the hydrology of our water system and anticipated future growth, our engineer has recommended that the relocated water lines be replaced as 12" rather than 8" water lines. The estimated cost of replacing the lines in conflict with 12" water lines is \$2,073,000 of which TxDOT will reimburse about 64% of the cost. We believe it would be financially unwise and short sighted to spend nearly \$1.8 million to install water lines of inferior size that will not support the future growth of our system.

The expansion of US 75 is a regional project that benefits many communities in Collin County, including Anna. Recognizing this regional importance and the disproportionate financial impact on small communities, the Commissioners Court

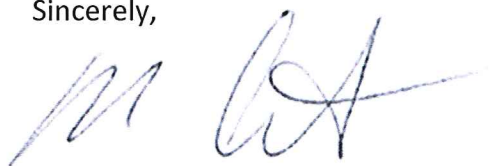
has previously agreed to fund the local match required by TxDOT for acquisition of right-of-way.

Like the acquisition of right-of-way, utility relocations required by TxDOT are costly and very difficult for a smaller city to absorb. Our utility rates are already high, and like many cities in north Texas, Anna was forced to increase water and sewer rates by 9% this year in part to pay for the rising cost of water. The City already has significant utility debt service obligations related to infrastructure necessary to support a small but rapidly growing city. But for the expansion of US 75, it is unlikely that the City of Anna would undertake the US 75 utility relocation project for many years.

The City of Anna does not have available cash to pay for the up-front cost of the required US 75 utility relocations, nor do we have the financial resources available to absorb the cost of the project that TxDOT will not reimburse. Given the regional importance of this project, the City is requesting that the County fund up front the full cost of utility relocations required for this project, and through an inter-local agreement, become the beneficiary of any and all subsequent TxDOT reimbursements.

We appreciate all that Collin County has done to support the City of Anna and thank you for your consideration of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mike Crist', with a stylized, flowing script.

Mike Crist
Mayor, City of Anna